will help self-re iance development, and in the field of science and technology we can compete witp technological giants of the world. Therefore, Madam, through you, I request the hon. Industry Minister as well as the Government of India to consider this as a special case. Don't club this with the other sick industries. I know there are problems in the sick industries, but now I am making a special request for a special industry which has a national bearing. Therefore, Madam, through you, I request the Government again. I had been approaching the earlier Governments, but I am sorry to say that they could not finalise anything. You know the usual way of functioning of our bureaucracy. They will dump everything in the "sick" list. I request the new Industry Minister that he should not go by their advice only. The industry is of a special nature and we have to develop our own industrial technology in the high-tech area. Therefore, this industry should be helped. Therfore, Madam, I request the Central Government to carefully consider this case.

Proposed ILO declaration on labour standards

SHRI JIBON ROY (West Bengal): Madam,. I want to make a submission. I have given a notice on a very important issue involving the national interests on which the Government should act upon, but I have not been permitted to raise it. I am not pressuring for it, but that is the tragedy of being a back-bencher, even on an important issue we are not allowed. If you allow me, I can raise the main points.

THE DEPUTY CHAIRMAN: You are allowed.

SHRI JIBON ROY: The Governing Body of the ILO has decided to introduce a declaration in the ensuing conference of the ILO in Geneva, which is taking place in the month of June. The declaration is concerning the detailing out of the labour standards, the measuring of the labour standards. They have circulated the declaration. In the declaration they have mentioned that there should be no child labour all over the world and there should be equal wages everywhere, and in the operative part they have men tioned that even if those Governments or those countries do not ratify the declara tions, those declarations will be im plemented automatically since they have accepted the constitution of the ILO and the Philadelphia declaration. Some of the underdeveloped countries have raised ob jection to that. They have said, "Let there be a rider.....". That this declara tion will not be linked to trade or it will not be linked to WTO. The governing body of the ILO has decided that such a provision need not be there and it has said that it will not be binding on other world bodies and by virtue of this decla ration they will not be prevented from implementing their own decisions. If this declaration is passed, the labour stan dards will almost get linked to trade. Nobody can save it. It will affect all the underdeveloped countries. It will affect India. Now the Government should co-ordinate the activities of the trade unions.

THE DEPUTY CHAIRMAN: Please don't make a speech on the entire labour policy of India.

SHRI JIBON ROY: No. I am not talking on that. They are going there. India will participate at the ILO meeting, both the Government side and the trade union side. There the Government should co-ordinate the activities and the Government should take steps to co-ordinate the activities of the underdeveloped countries, both on the Government side and on the trade union side. If we fail at this juncture, you will understand that this is a special matter which is going to affect us. This is all that I want to say.

SHRI VAYALAR RAVI (Kerala): Madam, only one minute. I have given notice yesterday. This is a matter of grave concern not only to India but also to the developing nations. It relates to the WTO using the ILO as a forum to raise the cost of production in every country and make the monopoly groups to dump their goods into other countries.

This is going to affect our country very seriously. The Government of India has consistently taken a position that the labour standards should not be linked to trade. This is our position. Now a situation has come where some other countries are mounting pressure on the ILO. So, our country, as my friend has put it, must take a very strong position, mobilise the support of other developing nations and prevent them from making an inroad into the sovereignty of a nation state. So, I believe the Government of India will take such a position, mobilise the support of other countries, fight against it and defeat it.

THE DEPUTY CHAIRMAN: The Labour Minister is here.

SHRI M.A. BABY (Kerala) : Madam, may I have half-a-minute?

THE DEPUTY CHAIRMAN: Should we have a discussion on the labour policy?

SHRI M.A. BABY: I will not take more than half a minute, Madam. I never thought that I would speak again here.

The issue is such that the Government has to apply its mind to it very seriously. I would humbly suggest two things. Number one is that the Government has to do something about the ILO declaration. Number two is that the Government should have a long-term approach or plan. I don't know how long this Government will continue. India is an important developing country. So, the Government of India, whether this Government is Jfeexe-or some other Government is there, Should take the leadership in mobilising other countries of the World. Ministerial-levjel meetings can be thought of because this- is a big menace which we should collectively fight. Therefore, we have to have a short-term plan and a long-term plan. I think the present Government, in spite of our political differences, would take some initiative in this matter because on matters of foreign policy we have general consensus, whether it is Congress (I) or the BJP or any other party. On this particular issue I hope there will be a very firm, committed and positive approach on the part of the Government.

SHRI E. BALANANDAN (Kerala): Madam, may I add one sentence? The point is this.

THE DEPUTY CHAIRMAN: I think we are starting a debate.

SHRI E. BALANANDAN: The labour standards are being used for scuttling our competitiveness. They want to scuttle the Indian competitiveness in the name of labour standards. This is the basic point. These people want to impose the labour standards on the third world countries so that the third world countries' products become costly and they will not be able to compete with them. This point should be kindly noted.

THE DEPUTY CHAIRMAN: The Labour Minister and the Industry Minister, both are present here. I am sure the Government will take this matter seriously.

SHRI VAYALAR RAVI: The Labour Minister is not there.

THE DEPUTY CHAIRMAN? The Labour Minister is here. He can't react now as to what he will do. Let him not make any commitment now. I know you are very shrewd and you want the Minister to commit something. *(Interruptions)*....

SHRI. JIBON ROY: No, we are not asking for any commitment. We want their involvement.

श्री दीपांकर मुखर्जी (पश्चिम बंगाल)**:** मैडम, मंत्री जी कुछ बोल नहीं रहे है ।

उपसभापति: दीपांकर जी, मंत्री जी कुछ कमिट नहीं कर रहे है ।

श्री दीपांकर मुखर्जी: मैडम, मंत्री जी कि आवाज नहीं सुनी ।

श्रम मंत्री (श्री सत्यनारायण जटिया)**:** आवाज भी सुनिएगा और अंदाज भी देखिएगा । मैडम, सभी माननीय सदस्यों की बातों को मैंए ध्यानपूर्वक सुन है और उन्होने

जो बाते कहीं है, उन पर गंभीरता से विचार किया जाएगा और कोई ठीक प्रकार का प्रतिनिधित्व हो जाए, इस प्रकार की कोशिश रहेगी। धन्यवाद

उपसभापति: यह कोशिश कीजिएगा कि हिन्दुस्तान के लेबर के हित में, हिन्दुस्तान के प्रोडक्स्ट्स के हित में ही सब काम हो । उनके हितों के खिलाफ कोई दबाव नहीं पड़ना चाहिए। ठीक है, ना?

THE DEPUTY CHAIRMAN: Now, we take up the Statutory Resolution. Miss Saroj Khaparde. Not present. Shri R. Margabandu. Not present. Now, the Minister to move the Bill.

THE INCOME-TAX (AMENDMENT) BILL, 1998

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. K. KUMAR): Madam Chairperson, I beg to move—

> "That the Bill further to amend the Income-Tax Act, 1961, as passed by Lok Sabha, be taken into consideration."

The Bill seeks to replace the Income-Tax (Amendment) Second Ordinance (No. 28 of 1997) promulgated on 26th December, 1997, and to further amend the Income-Tax Act, 1961, mainly to provide certain tax incentives to industrial undertakings engaged in the business of power generation, commercial production of mineral oil and construction of highway infrastructure. The Bill has been passed by the Lok Sabha on 30th March, 1998.

Section 32 of the aforesaid Act, as it stands today, does not provide for a straightline method of depreciation. With a view to enable power generating units to depreciate their capital assets in a straightline method at the same rate at which it is reimbursed to the power producing companies by the State Electricity Board under the Electricity (Supply) Act, 1948, it is proposed to make amendment in Section 32 of the Income-tax Act. With this amendment, there will be lower tax reimbursement by the State Electricity Boards and, consequently, a lower power tariff rate for the consumer. Secondly, I also propose to amend Section 80-1A of the Income tax Act to provide incentives to mineral oil, power and highway projects and in respect of industrial undertakings located in backward districts. I propose to extend the benefit of deduction available to undertakings commencing production of miner-pi oil in the North-Eastern region, after the 1st day of April, 1997, to other parts of the country. I also propose to extend the benefit of deduction available to infrastructure facility to housing and other developmental activities which are an integral part of a highway project with the condition that the profits of such housing and other development activities are ploughed back to highway projects within a period of three years. In case of such projects, I am also extending the time limit for availing the tax holiday from twelve years to twenty years, that is, the undertakings can claim the deduction in any ten consecutive years out of a period of twenty years. The existing Income-tax Act permits tax holiday benefit to undertakings which begin to generate or generate and distribute power up to 31st March, 1998. In order to attract new investments in the power sector, I propose to extend this date up to 31st March, 2000. I further propose to provide for a five year tax holiday to undertakings located in the notified industrially backward districts of category 'A' and a three year-tax holiday to undertakings located in the notified industrially backward districts of category 'B' subject to the condition that such undertakings begin to manufacture or produce articles or things or to operate cold storaged plant or plants at any time during the period from 1.10.1994 to 31.3.1999. In both the cases, the tax holiday period will be followed by the benefit of deduction of 25 per cent of profits — 30 per cent in case of companies — for five years to the eligible undertakings. Madam, I am also aware that there are some shortcomings in the determination of categories 'A' and 'B'. The hon. Finance Minister has already promised in the other house that this will